

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC HEARING – PROPOSED FY2003 MUNICIPAL BUDGET)**

May 6, 2002

7:00 PM

Mayor Baines called the meeting to order.

The Clerk called the roll. There were thirteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O’Neil,
Lopez, Shea, DeVries, Garrity, Smith, Forest

Absent: Alderman Thibault

Mayor Baines advised that the purpose of the special meeting is a public hearing on the proposed municipal budget as required under the provisions of RSA 44-10 and in satisfaction of the requirements of Section 121(b) of the State and Local Fiscal Assistance Act of 1972 as amended and in the City Charter, which calls for appropriations for municipal operating budget expenditures, School District operating budget expenditures, operating expenses of the Manchester School Food and Nutrition Services (SFNS) to be funded through SFNS Revenue Funds; Manchester Transit Authority municipal fund subsidy to be financed through revenues of the General Fund; operating expenses of the Environmental Protection Division to be funded through Sewer User Rental Charges; operating expenses of the Manchester Airport Authority to be funded through Airport Revenue Funds; operating expenses of the Recreation Division to be funded through Recreation User Charges; operating expenditures of the Central Business Service District to be funded through the Central Business Service District Fund; operating expenses of the Aggregation Program to be funded through Aggregation Fees; and all Meals and Rooms Tax Revenues received in FY2002 in excess of \$454,927 held in a Civic Center Fund for payment of the City’s Obligations under the Financing Agreement.

The Clerk presented the proposed Appropriating Resolutions:

“A Resolution appropriating to the Manchester Aggregation Program the sum of \$764,816 from Aggregation Fees for the Fiscal Year 2003.”

“A Resolution appropriating to the Manchester Airport Authority the sum of \$41,938,254 from Special Airport Revenue Funds for Fiscal Year 2003.”

“A Resolution appropriating to the Central Business Service District the sum of \$205,833 from Central Business Service District Funds for Fiscal Year 2003.”

“A Resolution appropriating the sum of \$2,686,167 from Recreation User Charges to the Recreation Division for Fiscal Year 2003.”

“A Resolution appropriating the sum of \$13,941,680 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2003.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2002 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year Under the Financing Agreement.”

“A Resolution appropriating to the Manchester Transit Authority the sum of \$725,000 for the Fiscal Year 2003.”

“A Resolution appropriating to the Manchester School District the sum of \$121,148,267 for the Fiscal Year 2003.”

“A Resolution appropriating to the Manchester School Food and Nutrition Services Program the sum of \$4,750,000 from School Food and Nutrition Services Revenues for Fiscal Year 2003.”

“Raising Monies and Making Appropriations for the Fiscal Year 2003.”

Mayor Baines stated prior to showing you a slide presentation I am just going to make some very brief comments to highlight my original budget message to the City. I want to emphasize that when we put the budget together, it does represent a no frills budget, as I’ve stated over and over again. We’ve asked department heads to level fund operating expenses and the total budget is roughly in its aggregate about a five percent (5%) increase over the fiscal year 2002 budget passed by the Board of Mayor and Aldermen. I have also said clearly that this budget does not set the tax rate. The tax rate will not be set until the fall after we have an opportunity to review revenue trends and we monitor them on a monthly basis to indicate exactly where we will be with revenues. We have been concerned, obviously, about some of the economic trends that took place and some of the challenges that are before us especially relating to health insurance. The budget figures that we presented included an estimate of an eighteen percent (18%) increase in health insurance. In reality, as we were getting closer to finalization of the budget it actually could be in the vicinity of twenty-six percent (26%) and this budget accounted for eighteen percent and I think based upon the presentation when you look at Blue Cross coverage that the City has that’s actually in aggregate over a thirty percent (30%) increase in health insurance and that is a very much a staggering figure, not only faced by municipalities but by people in the private sector as well. What have we done to try to curtail expenses going forward...we have in place a hiring freeze. It seems like every year I’ve been Mayor at this point in the year and earlier we’ve put in hiring freezes, we do scrutinize all hiring on an individual basis...we have actually put another layer to the process to scrutinize...now, all requests to fill positions go to the Human Resources Committee and they make a recommendation to the Mayor and we’re only filling positions that would actually jeopardize public safety or actually increase expenses if we did not fill a position, if we ended up having to pay overtime to cover in various areas especially in Police and Fire we are filling those positions. So, we’re working very hard, the department heads have been cooperating with us to look at level funding in

most areas of operational expenses. Also an unknown out there is we are presently negotiating with 16 unions in the City, we're using a collaborative negotiation process and negotiation sessions are occurring every Friday and we're optimistic we can each reach agreement with the unions prior to the budget ending, so those are the unknowns that are out there as we look at the budget mainly in terms of negotiations and insurance increases. Again, we've rolled back and continue to ask the departments to level fund and for the most fund their operating expenses, so we're not growing in that area as well. We've also asked various departments in the City, we've had some meetings with staff looking at perhaps some incentives for early retirement to bring out some potential cost savings, we've also had the Finance Department look at other means in which we could look at (for the most part) of centralizing some services...they may look long-term of saving some money again over some extended period of time. I also want to talk specifically about the School District budget. Perhaps one of the most significant challenges because of some issues that we're facing in the School District...this is approximately \$10 million increase, almost \$10 million away from the original increase from the School District...I think their final request was around \$126 million...that is a particularly challenging budget because basically the School District is in the third year of a third year contract and the salary increase on the teacher's contract is 4.5% in the final year of the contract. Understand on the municipal side my first budget under negotiated settlements that had occurred prior to my administration, the implementation of Yarger Decker...we looked at 13% increases in salaries going back two years ago and I believe my second year budget was approximately a 7% increase...so, a 13% and 7%...the School District increase this year is approximately 4.5% in salaries and in addition there was a negotiated part of the settlement to add approximately 18 teachers at the elementary level to equalize the preparation periods for elementary, middle and high schools and our budget tries to do that, however, we have in looking at how we are going to fund the School District budget, we looked at basically level funding all the other line items and asking the School District to work at cost savings within those other lines items to meet the salary obligations of the District or increased costs in Special Education, there are increased costs in transportation and others that are fixed on the School District side. But, the bottom line is we've presented a budget that basically holds back spending that meets our obligation. The biggest change in this budget is not the increase in spending, but revenues and what we're projecting. For example, the tax base of the City is increasing only in the vicinity of \$20 to \$25 million which is a very minimal impact on the tax rate going forward. I'll give you an example...the City just to the south of us, Nashua, they're tax base is increasing approximately \$80 to \$85 million. Similar restraints were put forward by the Mayor of Nashua in his budget very much comparable to what we did here on the City side and the last time I checked with them they're looking at a tax increase of approximately 6%. The biggest difference in spending they have a tax base growth that is helping to absorb that spending. Tomorrow night the Board will be having a meeting to review revenues and I think that will give us a better understanding of exactly how we can project a possible tax increase going forward. What I hope to learn tonight the suggestions from the public; that we welcome these suggestions on measures to make better spending decisions. I know there are going to

be some on the School side that are going to ask for increased spending. There are going to be some that are going to ask for less spending. We understand the dynamics of the situation, we're all very sensitive to it, I believe that we have a Board of Mayor and Aldermen that has shown they're willing to roll up their sleeves and work in a cooperative and productive manner to meet the needs and the demands of a City that is very progressive...I don't believe we can do anything to jeopardize the services that we deliver to the citizens of this City in terms of plowing our streets, taking care of our parks and our playgrounds, meeting our other obligations that are out in there in terms of School funding issues, in terms of the capital improvement plan...our obligations on the Granite Street Widening project...there are some very substantial obligations there and also meeting our Police and Fire protection which is absolutely essential for a City. We do not need to look at pulling back and services in that area to meet the challenge. We are looking for input from all of you to make some better decisions and at the end of the day we want to make sure that we've preserved the quality of life here in our City and with your cooperation and the spirit of constructive suggestions, I believe we can meet our common goal. The budget challenges, obviously, as outlined is salaries, fringe benefits, operating, contractual obligations and the economy that I alluded to. The FY2003 budget challenge on salaries...the budget is based on the current complement for FY2003 and total salaries increased \$1.1 million or 2.25%. Now, I want to emphasize that because I think when people look at the budget they must be saying that you're putting a lot of money into salary increases...this is a 2.25% increase on the City side. And, again, that is just meeting the obligation at this point in time of the Yarger Decker and the step increases that have been part of that agreement with the City and again we're in negotiations with the union which could affect that number. Health Benefits...when I said when we prepared the budget we were given the number of approximately 8% by the Blues...that does not seem to be coming down in that area and we're looking, obviously, through negotiations and looking at ways to get that number down, so that it's closer to a more manageable number for us, but this is a staggering, absolutely staggering number, as I told you 26% overall when you look at the Blues and Matthew Thornton together, but the BlueChoice plan is projected to increase, I believe, around 34% or so...34%...that's where our challenges are at...dental benefits are more moderate. Again, the budget challenge for benefits and based on the current complement and total fringe benefits when you look at all of the fringe benefits of the City...that is approximately a 10.95% increase and that gives you a chart of where that is going from one fiscal year to the other. Level funding...and understand that you have a little bit of a history here. The first budget that I presented to the citizens of Manchester was a 2.5% rollback in operating expenses from the previous year prior to being sworn in as Mayor...the Aldermen reduced it another half percent as a group when we got into the second part of the budget, so we actually roll backed operating expenses for all departments in the City on average of 3%. Last year, we level funded operating expenses so if you look at what's happened with inflation department's now are running perhaps at approximately 6% less of a level than they were just two years ago. I think we made an effort to again rollback spending and asking departments to manage themselves better and if you look at

operating expenses by year...and again, there are contractual obligations that do go up. There's an expense summary...if you look at what's happening with the budgets...you've seen my projected School District budget increases 8.48% and again the difference is this year we're on the third year of a contract that was approved by the Board of Mayor and Aldermen and the Board of School Committee...this budget had to meet that obligation which we did...does it meet all of the challenges on the School District side, absolutely not. Is it going to require the School District to manage its money in a very efficient manner, at the beginning, absolutely. We may need to look at some adjustments in that number as we look at insurance costs because again we were looking at approximately 18% and it's going to go up much higher than that and again we cannot negotiate any changes in insurance coverage on the School side because they're on the third year of a contract. What will change some of the numbers...especially in terms of a project tax rate...we've talked about revenues and again we're getting an update on revenues tomorrow night. We're looking at some issues with rental income that are part of some negotiations of property that we're looking at...the tax base, again, as we get up towards the end of the budget...the Assessor's usually come in, they've done their evaluation of the tax base for me in March right up to the very end...they'll come back to the Board of Mayor and Aldermen as we get close to the final adoption of the budget and we keep our fingers crossed that review of information will increase the tax base...that is also going to help us push the tax rate down. The increased fund balance...that is money that we're asking the departments to economize on with the hiring freeze and other curtailment of expenses to save money out of this year's budget to apply as a fund balance going forward in the next year's budget. As you know we also face an approximate \$1 million deficit in the Welfare Department budget this year, we pulled back the budgets from every single department in the City to make up for that \$1 million, we think (if we're optimistic) and I'm looking at nods from the Finance Officer that that is going to come in around \$800,000 because some of the management practices that the Commissioner of Welfare has put in place and watching expenses and working with the City...we hope to realize some savings there, but every department in the City has to contribute, rollback from their budgetary amount \$1 million to help us with this deficit and then coupled with the hiring freeze and other measures that we've put in place to rollback expenditures we hope to realize a fund balance that is going to help us with next year. Here again, when you study ways to save money, again we asked the Finance Department to look at some proposals that as we meet as the Committee on Finance over the next five weeks that we can look at some cost savings...some, perhaps, can be immediate and some may be long-term but we need to begin to look long-term, we've had discussions about health insurance and how we can solve some of the short-term issues, but also look long-term to bring about some cost savings and that now does complete my budget message, thank you.

Mayor Baines advised that the meeting shall be open to public comment; that each person when recognized shall come to the nearest microphone, state their name and address in a clear and loud voice for the record; that each person shall be given one opportunity to speak and comments shall be limited to three minutes to allow all participants the opportunity to

speak; that once all present have been allowed to speak should there be a topic not discussed those wishing to speak a second time shall be provided the opportunity to do so.

Harold Levine, 49 Hillcroft Road, Manchester, NH, stated:

Mr. Mayor, Ladies and Gentlemen of the Aldermanic Board, it's a shame that you tried to hide this meeting tonight by no advance notice, just a brief paragraph in *The Union Leader* this morning. So far, you people have not come up with ideas to reduce our tax rate instead of just protecting City workers, especially department heads. Mr. Mayor, I spoke to you during your first term along with different Aldermen and everything from the taxpayers falls to deaf ears. The last administration wouldn't do anything. One, I propose to start with a motor pool. I have been proposing this for many years, we don't need so many City vehicles running around. I don't know who the Alderman is who is supposed to be counting heads as far as City vehicles go, but we've got more new Crown Victoria's floating around the City without City decals but City plates and other new vehicles. Two...put the City Solicitor's crew out to bid. I saw the budget and we never get a civil answer and yet this budget is way over a million dollars, I think private industry attorneys who deal with municipal law could do a much better job at a much cheaper rate. Three, it's about time to evaluate department heads especially political appointments. Four, stop overtime on weekends, I noticed just a couple of weeks ago we had street sweepers out on Saturday morning...we have the Traffic Department doing line work on weekends, this could stop...I imagine some are on overtime. Five, the taxpayers of Manchester have been subsidizing business here for years and years in Manchester. Apartment buildings that have "X" amount of apartments should have dumpsters instead of the taxpayers of Manchester subsidizing them with rubbish pickup and the same with the County jail. We, as good neighbors, seem to take the rubbish away even though they have a dumpster, but this should stop. This is a way of saving money and we won't need this Tag & Bag that the last administration tried to put in and the current administration. I could go on and on and even though I've presented these ideas for many a year it seems to fall on dead ears, but at least I can continue tomorrow night because I noticed there's an open session from seven to seven-thirty.

Stephen Donohue, 573 Vinton Street, Manchester, NH, stated:

I'm a parent of two students in this School District, a resident taxpayer and I'm also President of the Association of Manchester Principals. Your Honor, first of all I want to commend your work and your staff's work, particularly in the insurance, I know you had a presentation earlier tonight and as President of the Association this is a very fresh look at things, it's not necessarily a good look in terms of the outcome, but Mr. Sherry presented a variety of seminars to the unions and in doing so he did not put any burden on the workers of the City, yet to look to see what would be best for the taxpayers and citizens and the workers. So, I appreciate that and the Association appreciates the work in that perhaps to get some new insight in doing that. My greatest concern tonight as a Principal as well as the other principals and members of the administrative staff in the Manchester Schools...our concern for the budget. I know that this is very tough times in terms of a variety of things coming

down from the State in terms of insurance and I would be remiss, I think, if I didn't appeal in terms of what this potential budget could do for the schools and the children of our City. Questionable in the budget that has been proposed by the Mayor I know again the Mayor has done good efforts to try and bring it this far, but I raise the question about having adequate supplies, adequate textbooks and adequate materials and equipment for the schools that we need in this budget. Secondly, I raise the question of the budget and who might be hurt by this. As we drop "a few teachers here and there" from each school and we reduce our staffs many of the students won't be adversely affected on Day 1 and Day 2 and Day 3 of the schools...my greatest concern in this and I raise this as the issue of the students who are struggling the at risk or potentially at risk students. Those are the students that need smaller classes, those are the ones that best benefit by alternative programs. These are some of the programs that the District has attempted to put in will not be able to do so and the payoff of these programs is not in the fiscal year of the budget, but will be later down the road when these people are successful in school and do become successful students and then members of the community. Also, in terms of the federal law "no child left behind" I ask you to consider what we may not spend now, we may have serious restrictions placed upon us in the future by the federal government on what we can and cannot do and potentially lose federal funding because we do not meet federal requirements because we can't adequately staff and support the programs that we need to do. I understand this is a tough situation but I ask you to give serious consideration especially for our at risk students.

Gail Barry, 51 W. Elmwood Avenue, Manchester, NH, stated:

I'm representing the Concerned Taxpayers of Manchester...the Concerned Taxpayers of Manchester feel that the contrived practice of presenting an inflated budget as in this case by at least seven or eight percent then reducing it by three or four percent thus getting the increase that you're looking for in the first place while telling the gullible public that you saved them money is both an insult and demeaning to the people you are supposed to be representing. Why don't you present a true and realistic budget that is readable and easily understood by the average constituent. One that is a credit to legitimate thought and consideration. As Chair of the Concerned Taxpayers of Manchester I am appalled that you would even consider proposing a budget with such a large tax increase built in and as a private citizen I would at least hope that you would consider a budget increase that would be at or less than the rate of inflation. Take the initiative, stop inflation in its tracks, bring in a budget that the people of Manchester can live with and the seniors who live on fixed incomes can go to sleep with without worrying about losing their homes. For once, get real, do the right thing. Pay attention, listen to us...we do not have the deep pockets you may think we have.

Kathy Staub, 374 Laurel Street, Manchester, NH, stated:

I'm the President of the Manchester Coalition for Quality Education. It's a city-wide parent group dedicated to improving Manchester's schools. I have one child at McDonough School

and another at Hillside. A week or so ago representatives from the School Board came to you and presented a budget with a \$16.9 million increase. They considered this the minimum that was needed to meet the essential educational needs of the children in our City schools and I believe them. Why? Well, because like me they're parents and community minded people who step forward to run for School Board not because they're interested in politics but because they believe they could use their time and talent to make things different. Things must be different. Another group of gifted and dedicated people has taken on the responsibility to find the right person to lead our schools into the 21st Century. It would be a shame to do all that work and find the perfect person only to have our new Superintendent leave after a few years because the political climate made it impossible to him to do his job. Every once in a while the right group of people comes together in the right place at the right time and magic happens. Over the last year I've watched the pieces begin to fall in place and I think that we are on the threshold of something truly great happening here but we need your cooperation. Do I think that \$16.9 million is a lot of money, well of course I do, but I don't think it will cause a tax revolt, not anything like the parent revolt that's going on and if you have to blame someone blame the insurance companies because everybody hates them anyway. This is not about numbers on a piece of paper, it's about our children, this is about their future and about the future of this City. Will they be working in high pay, high tech jobs or will they be working at menial jobs for minimum wage. The decision really is up to you. Are you going to pay for schools now or are you going to pay for jails later? There aren't very many of us here tonight because you scheduled your budget hearing right in the middle of soccer, baseball, softball, T-ball, rehearsals, recitals and concert season so there aren't too many of us here tonight because we have obligations to our children, but we represent a lot of people and I'm hoping that you'll be hearing from them. We're not going to go away until we see something happen...this is not a one shot deal, this is a movie and we are just getting warmed up. Over the next hour or so you're going to hear a few angry and frustrated people telling you things you probably don't want to hear. Please bear in mind that everyone in this room is here because he or she believes things can change and that you have the power to make it happen. Thank you.

Stephanie Lewry, Intown Manchester, 889 Elm Street, Manchester, NH, stated:

I'm here on behalf of Intown Manchester in Ward 3. In a way, it's kind of nice that I have an opportunity to address an issue that doesn't affect the budget tonight, but my issue is my budget and it's number three on your sheet of resolutions. I was level funded this year at \$205,000 and I'm asking for an increase to \$225,000. It's for the support of my operation budget which comes out of a special tax that does not affect the City budget, so I just wanted to have this resolution be changed to \$225,000. It will affect the taxes on the properties only within my district and it funds Downtown operations only, so it does not affect the City budget.

Madeleine Staub, 374 Laurel Street, Manchester, NH, stated:

I go to Hillside Middle School...I'm sure all of you who have children have said at least once put your coat on it's cold outside or put something on your head, it's snowing out. This isn't an option for the over 150 kids that have classes in portable classrooms at Hillside. Kids walk from class to class outside in the dead of winter, sometimes having to wait a couple of minutes while a previous class leaves a room. Cold and wet is not a fun way to experience a class. Some teachers don't have classes...this is so unfair. Great teachers have traveling classrooms that are cut or have offices that are intended to closets, for heaven's sake. Don't you find it incredible that a teacher has a sign with her name over a sign attached to a door that says custodian's closet. These teachers deserve more than that and the great teachers of the future won't want to come to the Manchester School District where they can have a trailer for a classroom or a closet as an office. For the past two years I have been learning the same things in science. Earth science for two years because the book series don't match up, therefore, it's the same curriculum. It would also be appreciated to have actual labs where we could do experiments and such. Reading is not the only way to learn and not the most effective. My mom got to do experiments when she was at Hillside...everything around us is progressing. Why is the School system moving backwards? You have one year to get Central in good condition for me and three years to get Hillside into order before my little brother goes there. Are you up to the challenge? If not, you should be. We'll be your doctors when you become old and will govern your City, do you want someone uneducated to do that? Thank you.

Joyce Call, 61 Sandy Brook Street, Manchester, NH, stated:

I'm here as a representative from the Highland Goffs Falls PTA. I wanted to advocate, I'm here to comment on the School District budget of \$121 million. Mr. Mayor, you said that this is level funding...there's a few concerns that we have regarding that. The proposal has an 8.4% increase, 4.25% of that goes to salary increases which leaves 4.23%...with the health insurance proposed to be at 30% increase where does this leave the schools, it's quite concerning. You stated that we are a progressive City, we're concerned as to how our children are going to progress with simple level spending...with that being said we'd really like you to consider the School Committee's proposal of \$128 million. Thank you very much.

William Duggan, 111 Wheelock Street, Manchester, NH, stated:

I'm here tonight to urge you to reject the Mayor's proposed budget on School funding. Instead, I would like you to adopt the proposed budget submitted to you by the School Board several weeks ago that is \$128.6 million. In the past five years, we've heard a great deal about adequate education. Yet, when we go out and purchase goods and services we don't want adequate because adequate can canotes mediocrity. Let's move in a positive direction, let's move toward quality education. The Mayor's budget does not do that with level

spending and that's why I urge this Board to show some leadership and adopt the higher budget proposed by the Board of School Committee. Thank you.

Lorraine Farrell, 9 Arthur Avenue, Manchester, NH, stated:

I am the PTO President at Hillside Middle School, I have two children at Central, one child at Hillside. I'm here too to also ask you to fund the School budget that the School Board proposed to you. I didn't know really what I wanted to speak to you about and I almost brought my son with me, but I chose not to but in relation to some of the things that would be taken away...you would take away the at risk programs and my son was assaulted at Hillside this year. The second day of school he was verbally bullied, three weeks after bullied again and six weeks later physically bullied. Hillside did a wonderful job, they did everything they were supposed to do, they took care of everything. But, the child that assaulted my son was one of those children clearly identified to be in an at risk program. He shouldn't have been in the classroom with my child. On that note, I have a daughter at Central who's doing a photo journalism essay and she's doing it on the horrible things of Central. The things that are dirty and terrible, this is not what I want my children to be doing, this is not how I want them educated, I don't want them to not have the supplies they need. On a positive note, I would like to see you put the energy into the School system that you're putting into baseball and to hockey. You need to come up with a positive way to fund education. Why don't you tack on twenty-five cents to every Verizon ticket that you sell or every plane ticket that you sell and put that money into education, it will add up and maybe that's not the way, I don't know, but you need to find a way...that's your job and that's what we elected you to do and lastly, I hope that we see some positive relationship building between the new Superintendent that will be coming to the schools. There has been too much to the City, there's too much animosity here and you have a man or a woman who will be coming into this hoping to bring about some wonderful changes to Manchester and I hope you work with them and if it doesn't work out I really have a strong feeling that the taxpayers will see where the problem lies within the School system and I don't believe it's in the School District, I really think we need to see some positive relationship building on this Board. Thank you.

Artemis Paras, 1275 Hanover Street, Manchester, NH, stated:

Mayor Baines and respected members of the Board, I would like to comment briefly first on the School expenditures, the School budget for this current year. When I lived in Penfield, New York the School budget was always a separate budget because the residents had to lobby so hard to make sure that everyone got out to vote yes for the budget. I would like the Board to understand that there's a major amount of revenues that comes in for the School District budget. I have here the last year's School District budget and what I found interesting is that the revenues for Fiscal Year 2002 were \$84,778,313 and I believe the budget for Fiscal Year 2002...not I believe it, it is stated here \$114,907,862...those were the revenues...I checked today with a School Board member who called me back and said that the total revenues which also include the State Property Tax...I think that has already started

to be factored into the amount of revenues is in that \$84 million bracket approximately. I just thought it was important to mention that for purposes of clarification to find out where the different sources of the funding are. I am concerned about the future bonding of projects in the City. I noticed that in the Legal Notice for this evening's budget there was no reference to RSA 33 which is the Municipal Finance Act...there is a section in that law that pertains to debt limits. I would hope that someone would make this section of the law available to the Aldermen because I've heard many questions about debt limits. I also want to speak, yes, to the Legal Notice...I've noticed for the longest time that we're mentioning and the Mayor read it this evening "the State and Local Fiscal Assistance Act Section 121 (b) that we have satisfactorily met the requirements...last year I spoke to this Act (what is it) nobody seemed to know. Intermittently during the year I would ask the question did anyone find out, no, so I decided to call Washington and I would like to say that I'm indebted to the Office of Bob Smith, our New Hampshire Senator, one of our Senators...they did a quick legislative search for me...today, I hand-delivered a letter to our City Solicitor...that act was the Revenue Sharing Act and it has been repealed. What is interesting though 121 (b) section is under subtitle (b) and it reads "reports on planned use of funds". Now, I don't know what reports we thought we were sending to the Secretary of the Treasury to receive funding, but I hope that we are not misleading somebody thinking that we are getting funds from the Feds when I was told and I have all of the documentation if any Alderman wants to see it. I've spoken about the schools, the debt limit, the notice...let me see...yes, I'm coming to my conclusion...oh, with the expansion of residential units on our City's single residence and multi-family I've mentioned this before in front of you, Mayor Baines, and to others, I don't know why the Aldermen can't give a directive to the Planning Board, Planning Department and ask them if we can't explore enacting a growth management ordinance so that we can have some kind of control to anticipate what services are necessary for the expanded growth and this is what causes budgets to rise. Thank you for your time.

Rick Olson, 544 Laurel Street, Manchester, NH, stated:

I own a mutli-family residence there, in addition I'm employed by Eaton Partners here in the City and my position there is a property manager. I provide housing for many people within the City...approximately a hundred plus units. Looking at this budget, again, I don't know what's built into the numbers but I just wanted to bring to the Board's attention that any time there's a tax increase and I define this 9% or anything above 3% as substantial...any time there is a tax increase of this nature that directly impacts renters and I heard a woman one night on Channel 9 state that she's tired of having the local property owners take it on the backs or burdens of the tax revenues and she said basically that people that rent get a free ride...that really isn't the case. When managing an asset...I'm not going to lie to you...but, the goal of managing that asset is making that asset profitable because different owners have different goals with those assets...i.e., they derive their income or their living from that asset and we have specific margins we have to work with and with that said...an increase in taxes is going to have an impact on your lower-income folks, your middle-income folks and with the market the way it is right now, the median rent in Hillsborough County right now

according to New Hampshire Housing Finance Authority's figures is \$940 a month for a two-bedroom apartment...I think that's a little expensive if you're a lower to middle-income person trying to support your family. I think there comes a time and a place where we've really got to hold the line on increasing expenses. In addition to managing residential property I also manage some commercial property here in the City. I watch the insurance rates go from \$6,000 a year in the year 2001 to \$22,000 a year in 2002. The taxes that we're paying for these units are not cheap given the recent valuations and with that I would just ask the Board that they bear in mind that budget increases have an impact on your lower to middle-income folks. Thanks.

Keith Hirschmann, 296 Dunbarton Road, Manchester, NH, stated:

I just wanted to start out by talking about education for a moment. As an Alderman the pressure on everyone is great, even on the Mayor. The six years that I was an Alderman it was very difficult to sit in this room...having children in the School District and be an Alderman at the same time. Knowing my duties are greater beyond my own walls I always kept in mind the taxpayers, the employees of the City, the services due to the taxpayers and the responsibility of the Aldermen and the Mayor. I was never afraid to cut the budget. I'm the proud father of a senior that's graduating in a month, he just got over \$15,000 of scholarship money, he's a very good boy. I cut budgets while he was in school because I knew that good teachers teach and good students learn. There are at risk students that need your help...I'm not saying to go beyond the call and I don't think you have. But, I just wanted to get that out of the way because your responsibility doesn't change education. Good students still get education...many of the kids that I coach at West High are going on to Southern California, Brigham Young, University of Hawaii...they're going to world wide accredited schools. We're getting more than an adequate education, they're getting a very good education. My son will be the fifth Hirschmann to come out of West High School, I think that's one of the best schools in this City and it's only a product of the other schools (Northwest and Parkside), it's part of the educational experience. When you get that diploma it says that you've excelled and you've gone through the whole school system. The kids at Northwest, the kids at Parkside they're getting a good education...there's overcrowding...somehow, there's already talk of paper shortages. I don't understand it, I really don't. Especially, where you kind people have put maintenance money aside and it's gotten absorbed into the School's budget. I didn't want to focus on schools but schools is the focus of the governor's race, of the state and of our future. I feel that the over ten percent increase that the taxpayers are at burden is too much. I'm asking for creativity, I'm asking for leadership, I'm asking for you to roll up your sleeves and do better than this. This is not what I would consider a mayoral quality budget. I would not put this out. On behalf of the taxpayers of Manchester I would be in this Chamber burning the light at night and you would all be included in my budget if I had the opportunity. I know that you have not met to discuss this budget as of yet, but I'm asking you please to go the extra step for the taxpayers, thank you.

Joe Kelly Levasseur, 866 Elm Street, Manchester, NH, stated:

This is kind of tough living 75 feet away from City Hall because when I made a mistake by turning the TV onto Channel 22 at 7:05 and I have to sit here and listen to Mayor Baines pontificate about how it's everybody else's fault and how the Aldermen have the duty to come out now and save the City of Manchester once again. Can we get Aldermen Wihby and Ted Gatsas to come out and pull a rabbit out of their hat and save the taxpayers once again because of Mayor Baines' lack of fiscal management. Twelve percent increase...the Bag & Tag thing, I hope somebody makes a motion to just take that out of the budget so the City of Manchester can know what the real tax rate is because we hear it's only ten percent, not we're hearing he made an 18% projection on the health insurance and now we're hearing it may be twenty-four or higher. So, that means the number is probably going to be even higher than that and now to thrust it down the Aldermen's throat with such a high number to start with...we'll be lucky to get it down below ten percent, maybe eight percent because we haven't seen any kind of any real fiscal leadership out of the person who is in charge of running the day-to-day activities of the City and you've always made that one of your biggest points; that you're responsible for running the day-to-day operations of the City. I attended a School Board Fiscal Finance meeting...no Mayor, no Mayor's representative...yet, he cuts the School Board's budget as if he's supposed to know where the money is going to go. You have a Mayor, the "education" Mayor who's supposed to be making sure that he brings in all of this great education and he's cutting the budget and he's just giving them a number, but he doesn't go to the meetings to find out where the meeting are going or where the money is supposed to be spent. We've already thrown \$15 million at the School Board and if you get the other \$10 million this year it will be \$25 million and still, folks, there's no paper and no pencils, what's up with that and we hear from the Coalition for a Better Education, we hear about how we have to throw...no, no, no guys \$10 million is not enough let's throw \$23 million at it...let's give the School Board what they really want...none of them ever worked on a School Board, they can sit outside and criticize but they don't know what it's like to be in these buildings and worrying about these numbers. It's easy to sit here and ask for more money, but the tough job is for the people who is going to be able to make the stand. How long are we going to keep taking tuition students from outside of Manchester. We are the ones that bear that burden, the taxpayers have to pay those operational costs, they have to pay for those pensions and they have to pay for the insurance on all of those employees that we keep having to hire to bring in more students. When are we going to stop this, when is there going to be enough, when are we going to have a manager of the city who's going to understand that his job is to be fiscally responsible and not to blame everybody else. You have to take a stand, you have to have a backbone, you have to be able to start with a number that makes sense. A five percent increase would still be too high, folks, this is coming after a year of a revaluation. I was at a party yesterday with the Greek folks, Greek Easter and everyone shaking their heads...they're worried because they're going to have to pay for every garbage bag they put out on top of already high taxes...now, going to be increased by ten percent or more. I feel

bad for the Aldermen this year that you had to start with this number and I wish you all very good luck.

On motion of Alderman Pinard, duly seconded by Alderman Lopez, it was voted to refer the Appropriating Resolutions to the Committee on Finance for further consideration, with reports to be made to the Board of Mayor and Aldermen at a later date.

This being a special meeting of the Board no further business was presented and on motion of Alderman Sysyn, duly seconded by Alderman Forest, it was voted to adjourn.

A True Record. Attest.

City Clerk